GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:507
ANSWERED ON:18.11.2016
Tax on Immovable Property
Patil Shri Kapil Moreshwar

Will the Minister of FINANCE be pleased to state:

(a) whether there is any provision to deduct tax at source on payment received on transfer of certain immovable property worth Rs. 50 lakh and above;

(b) the number of persons filed their Income Tax Returns with compliance of the above provisions along with the rate of compliance over all such cases;

(c) the number of grievances/complaints received by the Government/Central Board of Direct Taxes(CBDT) during the last three financial years, the number of cases of them redressed and the number of cases pending as on date along with the reasons for delay;
(d) whether there is any provision of imposing penalty on day to day basis on late filing of such cases, if so, the justification thereof; and
(e) the measures taken or proposed to be taken by the Government/CBDT to clear the hitch and bring about tax case and cooperation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) Yes Madam. Under the provisions of Section 194-IA of the Income-tax Act, 1961 (the Act), the buyer of an immovable property (other than agricultural land), which is valued at Rs 50 lakh or more is required to deduct 1% of the consideration payable to the seller and deposit the same in the Government account.

(b) The liability to deduct tax at source under section 194-IA is on the buyer of the property or payer of the consideration. The level of compliance of section 194-IA cannot be judged from the filing of income tax return by such deductor or buyer.

(c) During the last three financial years, i.e. 2013-14, 2014-15 & 2015-16 total number of grievances received on CPGRAMS was 42,025 whereas the total number of grievances disposed off during the same period was 41,258 which represents 98.17% of the total grievances received.

(d) & (e) Under the provisions of section 234 E of the Act, a fee of Rs. 200/- for each day of delay is chargeable where a statement of TDS is filed beyond the due date of filing. This fee is charged to ensure that TDS statements are filed in time so that the deductee gets the credit for the tax deducted at source. The taxpayers and deductors are regularly educated about their duties under the Act including their liability to file TDS statements in time.